

**THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF TUCSON, ARIZONA**  
**Legal Action Report of the Regular Meeting**  
**of the Board of Directors**

**June 11, 2015**

3:00 P.M.

at the

Ward VI Council Offices - East Conference Room  
3202 East First Street  
Tucson, Arizona 85719

<b>Present:</b>	<b>Board Members</b>	Marilyn Robinson Gary Bachman (left at 5:15 p.m.) Emily Nottingham Judy Clinco Evelia Martinez Larry Lucero Adam Weinstein (arrived at 3:07 p.m.; left at 4:25 p.m.)
	<b>Staff</b>	Charles Lotzar, Lotzar Law Firm, PC Gary Molenda, Business Development Finance Corporation Karen Valdez, Business Development Finance Corporation
	<b>Guests</b>	Camila Martins-Bekat, City of Tucson Thaddeus Pace, El Presidio Neighborhood Association Scott Riffle, George K. Baum & Company Sue Zimmerman, Pueblo Parking Systems, LLC Swain R. Chapman, Pueblo Parking Systems, LLC

The Regular Meeting of the Board of Directors of The Industrial Development Authority of the City of Tucson, Arizona (the “**Authority**”) was held on **June 11, 2015**, at the Ward VI Council Office - West Conference Room, 3202 E. First Street, Tucson, Arizona. All Authority’s Board Members and the general public were duly notified of the meeting. C. Lotzar had informed the Authority’s Board of Directors that Arizona’s Open Meeting Laws allow for members of the Authority’s Board of Directors and legal counsel to appear and participate in the meeting telephonically so long as all participants in the meeting can hear and be heard.

ITEM	ACTION TAKEN/TO BE TAKEN
<b>1. Call to Order</b> The meeting was called to order by Marilyn Robinson, with a quorum present.	The meeting was called to order at <b>3:04 p.m.</b>
<b>2. Request for resolution to approve the minutes of the Special Meeting of May 28, 2015.</b>	A <b>MOTION</b> was made and seconded (G. Bachman / J. Clinco) to approve the meeting minutes of the <b>May 28, 2015</b> special meeting as presented. <b>Approved 6-0.</b>
<b>3. Request for resolution to approve the payment of invoices and the notification of items to be paid on the Authority’s behalf by third parties.</b>	A <b>MOTION</b> was made and seconded (E. Nottingham / J. Clinco) to <b>1)</b> approve payment of invoices and notification of items to be paid as presented; <b>2)</b> approve payment of invoice to BDFC Advisor Services, LLC acknowledging that the invoice

	amount is in excess of the <b>FY14-15</b> annual contract compensation amount. <b>Approved 7-0.</b>										
<b>4. Status report from the Liaison to City of Tucson, Arizona City Manager's Office related to:</b> <ul style="list-style-type: none"> <li>a) The City's Economic Development Prospect list</li> <li>b) The City's use of the Tucson Community Development Loan Fund aka the HUD Section 108 Loan Program</li> <li>c) The City's use of HOME Funds</li> <li>d) The City's use of its 21 Economic Development tools</li> <li>e) Current items of interest</li> </ul>	No action taken										
<b>5. Status report related to parity tests on the various outstanding single family mortgage revenue bond programs and request for resolution with respect thereto.</b>	No action taken										
<b>6. Status report related to professional services including a review and structure of administration (a) the Authority's general counsel - Lotzar Law Firm, PC; (b) the Authority's Advisor - BDFC Advisor Services, LLC; (c) the Authority's parking lot managers - Pueblo Parking Systems, LLC ; and (d) the Authority's auditor - Roberts &amp; Associates, PLLC and request for resolution to approve 1 or more of the agreements related thereto for the fiscal year running from July 1, 2015 through June 30, 2016.</b>	<p><b>CONTINUE</b> to next meeting - review of the Authority's parking lot Management Agreement.</p> <p>A <b>MOTION</b> was made and seconded (E. Nottingham / G. Bachman) to approve the auditor agreement with Roberts Alexonis Group (fka Roberts &amp; Associates, PLLC). <b>Approved 7-0.</b></p> <p>A <b>MOTION</b> was made and seconded (E. Nottingham / G. Bachman) to approve the Engagement Letter from the Lotzar Law Firm, PC as presented. <b>Approved 7-0.</b></p> <p>A <b>MOTION</b> was made and seconded (E. Nottingham / G. Bachman) to approve the Agreement for Services from BDFC Advisor Services, LLC as presented. <b>Approved 7-0.</b></p>										
<b>7. Status report related to the Bylaws provisions and the Authority's historical dealings and request for resolution with suggested motion regarding the election of the Authority's executive officers for the fiscal year running from July 1, 2015 until June 30, 2016 based on the following slate:</b> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;"><b>Office:</b></td><td style="width: 50%;"><b>Name:</b></td></tr> <tr> <td>President</td><td>Marilyn Robinson</td></tr> <tr> <td>Vice President</td><td>Gary Bachman</td></tr> <tr> <td>Secretary</td><td>Evelia Martinez</td></tr> <tr> <td>Treasurer</td><td>Evelia Martinez</td></tr> </table>	<b>Office:</b>	<b>Name:</b>	President	Marilyn Robinson	Vice President	Gary Bachman	Secretary	Evelia Martinez	Treasurer	Evelia Martinez	<p>A <b>MOTION</b> was made and seconded (E. Nottingham / A. Weinstein) to approve the slate of officers as presented. <b>Approved 7-0.</b></p>
<b>Office:</b>	<b>Name:</b>										
President	Marilyn Robinson										
Vice President	Gary Bachman										
Secretary	Evelia Martinez										
Treasurer	Evelia Martinez										
<b>8. Status report related to the affairs of Dark Mountain Development Corporation and request for resolution related to any actions related thereto.</b>	<b>CONTINUE</b> to next meeting.										
<b>9. Status report related to the 2015 Arizona Housing Forum to be held August 26 - 28, 2015 at the Arizona Biltmore Hotel, Phoenix, Arizona and request for resolution for any action related thereto.</b>	A <b>MOTION</b> was made and seconded (G. Bachman / E. Nottingham) to approve sponsorship, at the Silver Partner										

	level, contingent upon approval from the Industrial Development Authority of the County of Pima for a Joint Sponsorship. <b>Approved 7-0.</b>
<p><b>10. Staff Reports:</b></p> <p><b>Monthly Staff Report for the month ending May 31, 2015.</b></p> <p><b>a. General Operations of the Authority:</b></p> <ul style="list-style-type: none"> <li><b>i. Parking Lot Financial Statements prepared by Pueblo Parking Systems, LLC (“PPS”)</b></li> <li><b>ii. Bond Borrower’s payment of Administrative Fees</b></li> <li><b>iii. Cash Management</b></li> <li><b>iv. Loan Servicing</b></li> <li><b>v. Loan Origination</b></li> <li><b>vi. 450 N. Main Street</b></li> </ul> <p><b>b. Updates:</b></p> <ul style="list-style-type: none"> <li><b>i. Federal legislation</b></li> <li><b>ii. Arizona legislation</b></li> </ul> <p><b>c. Outstanding Single Family Programs:</b></p> <ul style="list-style-type: none"> <li><b>i. Mortgage Revenue Programs that have completed the Origination Period:</b> <ul style="list-style-type: none"> <li><b>A. Series 2006 (Joint) - \$30,475,000- 1<sup>st</sup> Mortgage Loan Interest Rate 5.97% - Final Redemption of Senior Bonds July 28, 2014 - CUSIP No. 89873QAB5 Subordinate (approximately \$196,000 - 7% 2<sup>nd</sup> Mortgage Loans are tied to the Subordinate Bonds of approximately \$820,000) .</b></li> <li><b>B. Series 2007A (Joint) - \$23,400,000- 1<sup>st</sup> Mortgage Loan Interest Rate 5.69% - Final Redemption of Senior Bonds July 28, 2014 CUSIP No. 89873QAE9 Subordinate (approximately \$192,000 - 7% 2<sup>nd</sup> Mortgage Loans are tied to Subordinate Bonds of approximately \$135,000).</b></li> <li><b>C. Series 2008 (Joint) - \$30,000,000- Mortgage Loan Interest Rate 5.89% - Term Bonds CUSIP Nos. 898700FH7, 898700FJ3, 898700FK0 and PAC Bonds CUSIP No. 898700FL8 (approximately \$7,565,000 outstanding).</b></li> <li><b>D. Restructuring Opportunities and past results.</b></li> </ul> </li> <li><b>ii. Mortgage Credit Certificate Program that is in the Origination Period – 2014 in the amount of \$5,000,000 formed on January 2, 2014 - Origination Period expired December 31, 2016.</b></li> <li><b>iii. \$40,000,000 The Industrial Development Authority of The County of Pima and The Industrial Development Authority of</b></li> </ul>	No action taken

<p><b>The City of Tucson, Arizona Revolving Taxable Single Family Mortgage Loan Program of 2012 (Pima Tucson Homebuyers Solution) – Program commenced on December 17, 2012 and unless extended expires on December 31, 2016 - over \$140,278,000 in mortgage-backed securities sold with over \$5,611,000 of down payment assistance granted to homebuyers.</b></p>	
<p><b>11. Status Report related to development of the Request for Qualifications/Request for Proposal (“RFQ/RFP”) or other process related to the potential development of Block 174 and/or Block 175 and request for resolution for any actions related thereto. Pursuant to Arizona Revised Statutes Section 38-431.03(A)(1)(3) and/or (4), the Board may vote to recess and meet in executive session for the purpose of discussion or consultation with and to provide direction to the Board’s legal counsel in connection with this item. Any action taken by the Board regarding this matter will be taken in open meeting session (either at this meeting or at a later date) after the adjournment of the executive session.</b></p> <p>C. Lotzar stated that Adam Weinstein has declared a conflict and is recusing himself from discussions related to the development of the <b>Block 175</b> RFQ/RFP or any other process related to the potential development of <b>Block 175</b> and / or <b>Block 174</b> and to avoid the appearance of impropriety is leaving the meeting at <b>4:25 p.m.</b></p>	<p>A <b>MOTION</b> was made and seconded (E. Nottingham / L. Lucero) to approve the <b>June 11, 2015</b> draft RFP for <b>Block 175</b>, subject to incorporation of the Board of Directors input and direction provided at the <b>June 11, 2015</b> meeting, and further resolved that the President of the Authority is authorized to review the final form of RFP and make or approve any final changes prior to issuance of the RFP. <b>Approved 5-0.</b></p>
<p><b>12. President’s Report: Brief Summary of current events, including items brought to the President’s attention or matters that required handling by the President since the last meeting.</b></p>	<p>No action taken</p>
<p><b>13. Call to the audience</b></p> <p>There was no one in the audience who wished to address the Authority.</p>	<p>No action taken</p>
<p><b>14. Adjourn</b></p>	<p>A <b>MOTION</b> was made and seconded (E. Nottingham / L. Lucero) to adjourn the meeting at <b>5:25 p.m. Approved 5-0.</b></p>

Submitted by:  
**Karen J. Valdez**  
 Business Development Finance Corporation

Approved by:  
**Marilyn Robinson, President**  
 The Industrial Development Authority of the  
 City of Tucson, Arizona